Model for the Implementation of the Rural Tourism Development Strategy in the Count of Zadar

Dominik Sikirić
University of Zadar, Department of Economics, Croatia
dsikiric@unizd.hr

Aleksandra Krajnović
University of Zadar, Department of Economics, Croatia
akrajnov@unizd.hr

Mladen Rajko
University of Zadar, Department of Economics, Croatia
mrajk@unizd.hr

Abstract
This paper deals with rural tourism, with a special reference to rural tourism in Zadar County. Despite its natural beauty and its cultural and historical resources, it still lags behind in the development of this form of tourism. Complex legislation, high focus on coastal tourism, lack of clear development strategies as well as the lack of mechanisms and institutions required to implement such strategies, create a significant gap between the current situation and potential. In this paper, the authors present their own institutional model of rural tourism development in Zadar County. The model is based on the results of the conducted primary research (in-depth interviews) and a thorough analysis of the current strategic documents of Zadar County.

Keywords: Rural tourism development strategy, Zadar County, Institutional model of rural tourism development (HIMRRT)

1 Introduction
It is generally known that tourism is the world’s largest industry and so far there has been no indication that this will change in the near future, or that the tourism industry as such will stop increasing. However, changes are already underway within the sector itself, and they are going to be even more prominent in the future. Already today, it is becoming more and more difficult for tourism based solely on sun and sea to compete with other forms of tourism that are developing almost daily and are becoming ever more available (Skuras et al., 2006).

One of these new forms of tourism is certainly the rural tourism which brings to the foreground direct host - guest interaction. Each guest is approached individually and a friendly atmosphere is established in order for the guest to feel more relaxed and free. By accommodating the guest in the original architecture of the area and thanks to all the above mentioned opportunities, the guest is provided with the possibility to gain an authentic and memorable experience (Zaborski, 2007).
It is precisely for being based on „experience“, authenticity, and the establishment of a strong host – guest connection, that the rural tourism has started experiencing sudden development and growth. According to the European Commission’s report from 2000, this form of tourism has been growing at a rate three times faster than „traditional“ tourism (Briedenhann and Wickens, 2004.).

The subject of the research of this paper refers to the analysis and the guidelines for the rural tourism development in Zadar County which, despite its numerous resources, has not developed this form of tourism to a sufficient extent. The authors’ basic hypothesis is that the mechanism that enables the development and implementation of the rural tourism strategy of Zadar County does not work properly, nor has it been sufficiently developed. Due to the malfunctioning of this mechanism, a gap has arisen between the actual and the used potentials of rural tourism.

Following the conducted primary research, the in-depth interviews with all the relevant parties in Zadar County being the bearers of development of the County’s rural tourism, and the analysis of the County’s strategic documents, the authors identified the reasons why the existing development strategies have remained just a „dead letter on the paper“. Taking into consideration the conclusions of the research and the analysis of the strategic documents, the authors propose their own institutional – hierarchical model of rural tourism development in the County of Zadar, i.e. an institutional structure that should ensure integrated management both horizontally and vertically. The model emphasizes the holistic approach as the „key for success“ and it is based on the „bottom – up“ approach which allows for a greater involvement of local factors.

2 Concept, term and meaning of rural tourism

Up to this date, there has been no generally accepted definition of rural tourism. According to the World Tourism Organization (WTO), rural tourism is a term used when „rural culture“ is a key component of the product. (Mihailović, Moric, 2012).

According to the European Council’s definition, rural tourism is a type of tourism taking place in a rural area, including all the activities carried out in the respective area. The most important characteristics of this type of tourism are a quiet environment, lack of noise, well-preserved landscapes, communication with hosts, home-made food, and involvement in the activities of the farm operation.

The very concept of rural tourism has been developing and changing from its beginnings to the present. It has evolved from yet another form of tourism – namely, an underdeveloped one in terms of infrastructure - up to the present time when, due to its role in the revitalization and transformation of rural areas, it stands out as a special segment of tourism and is not only an economic activity, but also an element of the integrated development of rural areas and tourism-related planning (Lukić, 2002).

The most prominent „driving forces“ that motivate the today’s modern, city-dwelling tourist to „live the rural experience“ are:

- **urban, hectic lifestyle** and a growing detachment from nature and natural environment create a desire to escape the city life. Rural areas provide these visitors with an idealized way of releasing their stress and an opportunity to experience a simple, quieter lifestyle, allowing for rest and relaxation;

- **growing “green thinking” trend** referring, on one hand, to increased environmental awareness and interest in connection between nature and humans and, on the other hand, to
human health itself, healthy food, recreation - in short, a healthy life. Rural tourism is seen as an industry that causes very little damage to nature, whereas rural areas are perceived as „healthier“, with fresh air, pure water, and opportunities for recreation. All this favors the rural tourism which is perceived as environmentally sustainable tourism;

- **growing desire for authentic experience**, including a first-hand relationship with local population and getting to know their customs and lifestyle;

- **removal of transport, communication, and political-economic barriers** has made the until then distant rural areas much closer and more accessible;

- **increasingly educated and demanding visitors** more and more want „individual tourism“, i.e. tailor-made tourism, which can be provided by rural tourism thanks to its fragmented nature and diversity of offer (Irshad, 2010).

All driving forces listed above influence the increasing number of visitors to the countryside. Although rural tourism should be considered for now as a kind of „niche“ in the large tourism market, it has a strong impact on the rural area and rural economy. However, it should be emphasized that it is wrong to view rural tourism only through a financial prism. Apart from stopping or slowing down the deruralization process (which is indirectly caused by financial reasons, but is not a financial effect), other effects of rural tourism that are not only of financial nature should also be mentioned. One of the most important effects is the preservation of heritage, culture, but also landscape. Well-managed rural tourism results in investment made in conservation and restoration of tangible heritage such as old churches, traditional tools, clothes, houses, barns… This results in reviving old customs and traditions and passing them down from generation to generation, and the creation of „intangible heritage“. Moreover, rural tourism implies new ideas and initiatives that are very important, almost essential, for rural communities to prosper in the „new economy“ of the 21st century (Lane, 1994).

### 2.1 Rural tourism in the County of Zadar

According to the OECD classification of rural areas (at the municipal level), out of a total number of 229 settlements in the County of Zadar, 210 are classified as rural areas, i.e. 92% of the total number of settlements. The high share of rural to urban is recognizable in the distribution of the territory, i.e. out of the total surface area of 3.643,33 sq. km of Zadar County, as much as 92,8% is a rural area. The rest of the County’s territory (7,2%) is a urban area. The distribution of population shows a somewhat different structure to the advantage of urban areas, i.e. 48% of the County’s population resides in rural areas. The remaining 52% of the population lives in the urban parts of the County, which is another proof of great dispersion of the population in rural areas (considering the territory covered by rural areas).

According to the data from 2012 provided by the Zadar County Development Agency and collected for the purpose of preparing a catalogue of rural tourism, it has been established that there are 8 agritourism family farms and 4 companies (registered as sole proprietorship, limited liability company or cooperative) actively engaged in rural tourism in the County of Zadar. The authors have furthermore recorded the existence of 9 registered wine-makers in the County of Zadar that are working intensively on the preparation of tasting facilities where they will offer their own products. However, all this is still too little for a more serious development of rural tourism. All socio-economic indicators confirm that, in terms of development, the backcountry of Zadar County lags behind its coastal area. According to the development index, the most underdeveloped municipalities and towns such as Gračac, Lišane Ostrovičke and Obrovac are indeed geographically located in the hinterland of the County.
In order to better understand the current situation and the gap created between the coastal and continental part of Zadar County, but also between the actual - natural, geographical and cultural – potential and the current situation, the authors carried out a thorough analysis of all strategic documents of Zadar County, as well as in-depth interviews with all the relevant parties in Zadar County being the bearers of development of the County’s rural tourism.

The analysis of the strategic documents of Zadar County showed that rural development, and thereby also rural tourism development, has been recognized and is included to a sufficient extent in the strategic documents of the County. This fact is also proven by setting up Local Action Groups (LAGs) as a kind of „representative bodies“ of individual rural areas in Zadar County. Three LAGs have been set up so far: LAG Maret, LAG Bura, and LAG Laura. However, despite the fact that rural tourism is included in the County’s strategic documents, only little has been concretely done in practice. The County of Zadar lags behind in terms of rural tourism development. This is also proved by the results of the primary research conducted among all entities in Zadar County that are relevant for rural tourism.

3 Results of the research

For the purposes of writing this paper a research was carried out, meaning thorough interviews with pertinent subjects of Zadar County which are withal carriers of rural tourism development of the County. The interview was conducted on seven subjects which have leading positions when development of rural tourism in Zadar County in question. Particularly, we emphasize, chairmen of all Local action groups and the chairman of Board of tourism of Zadar County.

Interview was carried out with following participants:

- Ivo Dunatov – Chairman of Board of tourism of Zadar County,
- Danijel Segarić – Chief of Governance Department for agriculture of Zadar County,
- Šime Erlić – Manager of SME Department of the Development Agency ZADRA
- Ivan Ćupić – Chairman of LAG-a Laura,
- Ivo Moković - Chairman LAG-a Maret,
- Stjepan Marinović - Chairman LAG-a Bura,
- Nikola Žunić - UNDP Zadar.

The interview consisted of twelve specific questions, whereas the last one, the thirteenth, was an open-ended question, so that the respondents could answer it in case they wanted to further emphasize or specify something that was not included in the previous twelve questions. The complexity and the strategic specificity of the questions are appropriate for the structure of respondents that have a more or less direct influence on the decision-making process and the setting of direction of the rural tourism development in Zadar County, which indeed was the case in this research.

The main objectives of the research were to identify the current situation and potential of rural tourism in Zadar County, establish whether and to what extent a mechanism allowing the development and implementation of the Zadar County’s rural tourism strategy has been developed, establish the existence of a „gap“ between the actual and the used potentials of the County’s rural tourism.
Not one respondent in this research considers the current situation in rural tourism as good. On the other hand, every single respondent believes that Zadar County with its hinterland abounds in potential for the development of this form of tourism. Most respondents motivate their view by cultural and natural landmarks, but also good traffic connection of the County of Zadar, followed by food industry, cuisine, and eco-friendly products. It is precisely the eco-friendly products and the cuisine and food industry in general that are mostly indicated as competitive advantages of this region.

The main reasons for the poor use of the potential of rural tourism and the creation of a gap between the possibilities and the potential are identified by the respondents as the orientation of the County on seaside tourism, as well as the orientation of visitors on the seaside tourism elements (sun and sea), the lack of a „critical mass“ and enterprising spirit as well as personell, financial and „mental“ prerequisites for starting with the development of this industry. Some respondents think that the insufficient strategic planning, i.e. the lack of a vision, (im)possibility of micro lending, and strict legislation are the main reasons for the poor use of the potential.

Absolutely all respondents consider rural tourism to be sufficiently included in the County’s strategic documents. Most of their answers to this question could be reduced to the following comment: „Rural tourism is substantially included in the County’s strategic documents, but in most cases it only remains on paper“ . The respondents think there is no adequate system or satisfying institutional infrastructure enabling the development and implementation of the Zadar County’s rural tourism strategy.

These results should be integrated with results of the due diligence review of all strategic documents of Zadar County that confirm the respondents’ answers regarding the presence of rural development, and consequently rural tourism, in the County’s strategic documents.

This only confirms the authors’ basic hypothesis that the mechanism that enables the development and implementation of the rural tourism strategy of Zadar County does not work properly, nor has it been sufficiently developed, and that due to the malfunctioning of this mechanism,  a gap has arisen between the actual and the used potentials of rural tourism.

According to the authors’ of this paper, there are three main reasons why the defined strategies used to remain just a „dead letter on the paper“:

- lack of mechanisms and institutional structure that would “translate” the said strategic goals into operational steps and communicate them to rural tourism stakeholders at lower levels,
- lack of responsibility and defined scope of work that each institution should accept and carry out in order to achieve the development of rural tourism in the County,
- insufficient focus on the „bottom-up“ approach, i.e. a very low involvement of lower-level stakeholders in the strategy making process and the identification of steps and measures.

Based on the outcomes of the primary research as well as on the information resulting from the analysis of Zadar County’s strategic documents, in the following section the authors present their own institutional – hierarchical model of rural tourism development in the County of Zadar. The goal was to design a model that thanks to its structure, definition of the scope of work of individual institutions, and focus on the „bottom – up“ approach, would avoid the afore mentioned problems of the existing strategies. The model especially emphasizes the importance of the holistic approach in its implementation. The holistic approach is the „key for success“, but also a necessity, especially due to the multidisciplinary character of tourism as an industrial branch.
4 Model for the implementation of the system of rural tourism development

In this section of the paper, the authors outline their own graphical and descriptive representation of the model of the development of rural tourism in Zadar County that has been designed based on the primary research results, a SWOT analysis, but also an analysis of the strategic documents of the County of Zadar related to the rural tourism development.

The model and the connections among institutions of various levels and categories point out the holistic approach as the „key for success“. The model provides for the use of the bottom-up approach which implies that local factors participate in the decision-making process related to the strategy and selection of the priorities that should be implemented in a particular rural area. The primary goal of the model is to identify the required institutional infrastructure, and especially the connections among institutions at the macro, mezo and micro level, and to clearly define the activities and tasks of individual institutions and other parties involved in the system.

Image 1 [Institutional – hierarchical model of rural tourism development in Zadar County]

The basic structure of the model consists of three levels: macro level, middle or mezo level, and the lowest, local, i.e. micro level. The two „pillars“ of the macro level are the mid-level private and public sectors. These two sectors are connected with many institutions at the regional level. At the very bottom, i.e. at the foundation of this model, there are agritourism family farms. At the centre of the model is the Zadar County Tourist Board.

**Macro level** – the highest, macro-level of this model is divided in two parts i.e. two sublevels. The entities at this level have the following two tasks in terms of rural tourism development:
- creation of a clear and effective institutional basis for business development,
creation of an effective system of financial, educational and consultancy support to the current and future entrepreneurs in rural tourism.

By creation of a clear institutional basis is meant, primarily, an adaptation of the Act and the regulations referring to rural tourism, but also the ones that are not only directly associated with rural tourism and are to be adapted to the EU standards, which are in fact related to: stimulation of regional development, investment in infrastructure projects in rural areas, decentralized management, protection of environment, statistical data keeping, and monitoring of global market trends, and the like.

By creation of an effective system of financial, educational and consultancy support is meant, primarily, launching financial and incentive programs intended for future and current entrepreneurs in rural tourism, educational programs, as well as opening of communication channels between the public and private sectors.

In order to achieve that, cooperation among all highest-level entities is required. Already during the process of negotiation with regard to accession of Croatia to the EU, the Republic of Croatia started adapting its legislation to the EU legislation. Today, when Croatia is a full member of the EU, this cooperation is an imperative. Apart from ensuring the alignment with the EU, the Government of the Republic of Croatia has to achieve high-quality coordination of the work of its ministries, especially between the Ministry of Regional Development and EU Funds, the Ministry of Agriculture, and the Ministry of Entrepreneurship and Crafts. Besides ensuring cooperation among themselves, the relevant ministries are also required to collaborate with professional trade associations, institutions and agencies at the state level such as: Croatian Bank for Reconstruction and Development, Croatian Chamber of Commerce, Croatian Environment Agency, Croatian Centre for Agriculture, Food and Rural Affairs, and, of course, Croatian National Tourist Board.

Laws, incentive programs, credit facilities, regulations - i.e. everything that is introduced at this highest level - should meet, to a smaller or greater extent, the requirements and needs of the entities at the regional level that are affected by such measures. In order to achieve a „cohesion of requirements“ shaped in the institutional framework, constant communication is required between the macro-level and the private and public sectors at the mezo-level.

**Mezo level**

- It has already been mentioned that the private and public sectors at the regional level are the pillars of the macro level and the whole system. Introduction of legislative and institutional frameworks would be completely pointless if there were no entities subject to such frameworks. The County of Zadar with the belonging towns and municipalities, trade chambers, UNDP Zadar, and the University of Zadar stand out as the most significant entities of the public sector at the regional level, namely due to their human resources.

The County of Zadar is certainly the most important entity of the public sector at the regional level. Without the support by the County of Zadar, without including individual measures and steps in the development documents, without a budget whose structure is favorable to the development of rural tourism, almost nothing can be done. Hence, it is of utmost importance that the County recognizes the rural tourism development as a priority, and that it develops, by means of financial investment and cooperation with other private and public institutions, a regional „institutional framework“ that encourages the development of rural tourism.

---

1 Some authors use „meso“ or „mezzo“
In the authors’ opinion, the most important private-sector entities in the outlined model are commercial banks, travel agencies and tour operators, and the entities located on the coastline. According to the research outcomes, the issue of the lack of financial means and the problem of micro lending are very often to be „blamed“ for the current situation of rural tourism in Zadar County, and banks play a very important role here.

Tourist boards of towns and municipalities, as a kind of „hybrids“ between the public and private institutions, connect these two sectors. In addition to them, there are also local action groups (LAGs), described earlier in more detail, the Zadar County Development Agency (ZADRA), numerous professional trade associations, cultural artistic associations, and, since recently, the Agency for Rural Development of Zadar County (AGRRA). Apart from connecting the public and private sectors, these entities should be a kind of „translators“ of the ideas and requirements of lower levels into concrete initiatives and strategies, but also the other way round - „translators“ of the strategic goals into operational steps. Their task is to involve to the fullest all stakeholders interested in the development of rural tourism in the County of Zadar when preparing the strategic development documents, and creating educational, financial or consultancy programs. On the other hand, they have to translate all strategic guidelines, in cooperation with all other institutions, into operational steps and then communicate them to the lower/lowest levels, and to educate them about the methods of their implementation. These entities should be in direct connection with the Agency for Rural Tourism Development (from which they obtain „field information“) and the Zadar County Tourist Board.

The Tourist Board is at the centre of the model and has the central role in the management of the destination tourism development. It should be the „generator“ of the development of individual destination. Its role could be divided in the strategic and the operational one.

The **strategic role** of the Zadar County Tourist Board refers to long-term connection of the public and private sectors, long-term cooperation with the macro-level entities, primarily the Croatian National Tourist Board, but also the competent ministries, and participation in the development of strategic tourism and economy documents of the County.

The **operational role** of the Zadar County Tourist Board refers to more specific operational steps that the Tourist Board has to perform almost daily. Being at the centre of the model, its role is to „filter“ and analyze all information „obtained from the field“ from all the above mentioned mezo-level entities. Its further tasks are to inform consumers in the market about the destination itself as well as about its offer, assure the distribution of that very offer, create a platform for the destination marketing, and assure a high level of coordination among all stakeholders.

At the time of writing this paper, there is no agency for rural tourism development as an institution. The authors of this paper are of the opinion that setting up of such an agency is of crucial importance for the development of rural tourism of Zadar County. Namely, based on an analysis of the current situation in the institutional hierarchy of rural tourism, the strategic documents of Zadar County, and the obtained results of the research, the impression is that everybody and nobody is engaged in rural tourism in the County of Zadar. Numerous strategic documents affect this area, many institutions are concerned with it in a part of their work, yet there is no institution/agency that would have this as its primary work and would deal with it „24/7“.

This agency is meant to be precisely that and to work as an independent destination manager of rural tourism, with a great scope of work and great responsibilities. It has several roles:
- analyze and filter the ideas “from the field” and pass them on to other entities at the regional level,
- in cooperation with all regional-level and micro-level entities, i.e. agritourism family farms, create and present the County’s rural product to the market,
- inform family farms about the financial, educational and consultancy programs,
- take care of the quality of the offer, the wishes and needs, as well as the satisfaction of visitors,
- cooperate with the public and private sectors, by transferring and articulating the needs and initiatives from the lowest level,
- build and develop a „coast-inland“ connection.

There are two roles that the authors of this paper consider as more important than the others, namely: creation of rural offer/rural product, and the establishment of a „coast-inland“ connection.

The agency for rural tourism development should primarily, in cooperation with agritourism family farms, their association, as well as local action groups, develop a rural tourism product. At the work meetings of representatives of LAGs and the Zadar County Development Agency, with the participation of the authors of this paper, the work was focused precisely on the formation of several tourist routes - itineraries. According to the opinion of the authors of this paper, these should be half-day or maximum one-day itineraries and should include various amenities: natural and cultural landmarks, tasting facilities (olive oil, cheese, wine), and educational programs for tourists (old crafts, customs). This offer does not have to be conceived exclusively as a tour; it can include one-day or days-long programs for learning the old crafts, the language, cooking school, „Eco-friendly farmer“ program, eco fairs, Liqueur Road, themed evenings (such as “Vitezovi vranski”), farmer’s market..., there are plenty of possibilities. The creation of such an offer allows for cooperation with agencies and tour operators that would include such programs in their offer, but at the same time it represents a basis for the second crucial role of the Agency - building and developing „coast-inland“ connections.

The authors of this paper believe that this role of the Agency for Rural Tourism Development is crucial in this phase of development, as they are of the opinion that rural tourism in Zadar County should be developed in its initial phase as a supporting segment of rural tourism rather than a separate product. This „coast-inland“ connection should be a two-way connection and maintain a kind of a „win-win“ situation for all entities involved. This connection would enable agritourism family farms to offer their products (authentic food and souvenirs) and package arrangements (one-day, half-day trips) to tourism entrepreneurs on the coast, offering some kind of discount for their guests. On the other hand, entrepreneurs on the coast would extend their offer with an autochthonous and unique domestic product and souvenir as well as package arrangements that would not negatively affect their income, being just one-day or half-day arrangements. The capital of over a million and two hundred thousand guests that visit the County of Zadar each year is too high not to be counted on.

In this model, the agency for rural tourism development lies at the border between the middle and micro level, i.e. impinges upon both levels. It loses the purpose of its existence if it’s not in a strong, almost daily connection with the lowest levels, i.e. agritourism family farms, which are the main reason for its existence. In addition to a manager and a marketing expert that are an imperative, such an agency should also have as members the representatives of local action groups and agritourism family farms, i.e. their associations.
**The micro level** is the lowest level of this model and is made of agritourism family farms. They are the ones that, being in direct contact with their guests, should provide them with a comfortable atmosphere, feeling of welcome, high-quality food, opportunity to get to know traditional crafts, opportunity to purchase authentic and eco-friendly products – in one word, a memorable experience. If there was an agency for rural tourism development, the said farms could be active precisely in these activities, while the agency would take care of all the rest. The authors have planned for such family farms, which are geographically quite dispersed and have not had almost any communication among them so far, let alone cooperation, found an association of service providers at agritourism farms. Such an association would help them in coordinating single actions, but also in articulating their own ideas and presenting their viewpoints and forwarding them to higher instances. Such an association should consist of representatives of all registered family farms.

**5 Conclusion**

Rural tourism is a relatively new form of selective tourism, although for thousand of years people have been leaving the urban city centres for their residences and second-homes in the nature looking for quiet, recreation and clean air. Today, thousands of years afterwards, the „driving forces“ that make the visitors go to the nature have not changed a lot. However, the role of rural tourism in the rural and regional development has changed. Rural tourism has gone the way from a form of selective tourism to an important factor in the activation and sustainable development of rural areas. This interaction of agricultural production, production of traditional products, preservation of tradition, traditional cuisine, and the opportunity for diversification of economic services of the rural area has also been recognized by the European Union.

Rural areas in the County of Zadar have often been (and still are) neglected, not only in terms of tourism, but also economy. All this has led to an expansion of coastal tourism, deruralization, and complete neglection and bad condition of rural areas.

The County of Zadar lags behind in terms of rural tourism development. Rural tourism in Zadar County is in its infancy. In the territory of the whole county, there are only 15 registered subjects engaged in rural tourism. Lack of strategic and integral development plans (master plan and implementation plans) in rural tourism, failure to implement the measures defined in the County’s strategic documents, lack of vision, financial means and possibilities for micro lending are indicated as the main problems. Besides the lack of an appropriate development strategy and operational plans, there is also no satisfying „institutional hierarchy“ that would generate an adequate development mechanism.

The authors of this paper argue that, prior to adopting and implementing the institutional – hierarchical model of rural tourism development (IHMRRRT) presented in this paper, it is necessary to define the ways of its financing. This refers primarily to the role of the Agency for rural tourism development in the outlined model. In addition to that, it is required to develop the most appropriate methods of coordination and association of stakeholders at the regional level. The authors of this paper are of the opinion that in the future, it will be necessary to create a sort of „intranet“ between the stakeholders at the regional level. Such „private network“ would allow for a constant connection between the stakeholders, establishment of a bank of projects, but also a bank of knowledge.
Literature